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REPORT OF INTERIM ACTIVITY . . .

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MONTANA LEGISLATIVE COUNCIL ... HELENA



FORUM ON ENVIRONMENTAL REGULATIONS AND THE MONTANA ECONOMY

Register for Forum on Environmental Regulations and the Economy

Plans for the upcoming Forum on Environmental Regulations and Montana's Economy, co-sponsored by EQC and the Joint Subcommittee on Business, are nearing finalization. The Forum, scheduled for October 4 and 5 in Helena at the Colonial Inn, promises to be an excellent opportunity for legislators, industry, conservation groups, policy makers, and Montana citizens to learn from and participate with nationally recognized experts in the field of environmental economics. The conference will focus on fundamental issues of environmental regulation and economic growth issues that are of continuing concern to many Montanans.

Agenda Summarized

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The tentative agenda for October 4 includes an introduction to basic economic theories of environmental regulation by Dr. Thomas Crocker of the University of Wyoming, followed by an overview of Montana's current environmental policy from legal and economic viewpoints, to be presented by Frank Crowley, Department of Health and Environmental Sciences, and Dr. Larry Nordell, Department of Natural Resources. Dr. Terry Anderson of Montana State University and Dr. Tom Power of the University of Montana will present their views on the economics of alternative forms of environmental regulation. The luncheon speaker will be Dr. Richard Stroup, Director of Policy Analysis for the U. S. Department of the Interior, who will speak on federal environmental policies. The use of cost-benefit analysis will be addressed with specific reference to the Libby Reregulation Dam by Dr. John Duffield of the University of Montana and George Marshall of the Army Corps of Engineers. A panel of industry and state officials, including Terry Stuart, TOSCO Corporation, Mike Fitzgerald, Montana

PLEASE RETURN

International Trade Commission, Gary Buchanan, Montana Department of Commerce, Leo Berry, Department of Natural Resources, Steve Keil, Chairman, National Association of Wheat Growers' Farm Chemicals Committee, and Bob Connery, Attorney with Holland and Hart, will address the role environmental regulation plays in economic decisionmaking.

On October 5, the luncheon speaker will be Dr. Henry Peskin of Resources for the Future, who will speak on his work on the economic aspects of environmental regulation. Forum will then divide into groups to analyze case studies of projects that have undergone the regulatory process, with the purpose of identifying the benefits and problems of that process. The five case studies tentatively include a major subdivision, the Anaconda Aluminum Plant at Columbia Falls, the Asarco Mine at Troy, the Tongue River Railroad, and the Chouteau County Dump. The field of natural resource conflict management will be discussed by ROMCOE (the Center for Environmental Problem Solving), Richard Mullineaux, General Manager, Health, Safety, and Environmental Support, Shell Oil Company, and Robert Turner, Regional Vice-President, National Audubon Society.

The Forum will conclude with a discussion of the future courses of environmental management — developing and implementing a methodology in government — by two panels of government, industry, and conservation representatives. Members of these panels tentatively include Mike Gustafson, WESCO, Chip Mellor, Mountain States Legal Foundation, Dr. John Baden, Center for Political Economy and Natural Resources, Jim Goetz, Attorney for Conservation Groups, and Dr. Ron Erickson, Director, Environmental Studies Program, University of Montana.

Legislators and interested persons will receive a brochure including the final agenda and Forum registration information in early September. The registration fee is \$15.00, which includes the Monday and Tuesday luncheons (keynote addresses), coffee/refreshments, and incidental Forum expenses. EQC and the Subcommittee on Business urge you to attend this important meeting.

INTERIM COMMITTEES

FISH AND GAME

Kalispell Session Held August 16

The Subcommittee on Fish and Game held its sixth meeting on August 16 in Kalispell. The Committee reviewed Region 1 operations, license fees, requirements for outfitting, game warden training, and toured Wild Horse Island. Fish, Wildlife, and Parks director Jim Flynn estimated that the Department would be requesting about a \$5.5 million increase in license revenues from the next Legislature.

Final Meeting October 1 Helena

The Subcommittee has scheduled its next and perhaps final meeting for October 1 in Helena. The meeting will be a work session to develop recommendations to the Legislature and to develop the final report. The meeting will be in Room 104 of the Capitol beginning at $9:00~\rm{a.m.}$

BUSINESS

Final Session October 6

The Subcommittee on Business has been reviewing information in four general areas: (a) reserved water rights; (b) capital gains taxation; (c) environmental regulation; and (d) general taxation.

The Subcommittee is co-sponsoring with the EQC the Forum on Environmental Regulation and the Economy in Helena on October 4 and 5. A Subcommittee meeting will be held in conjunction with the Forum on October 6 in Room 104 of the Capitol. A final report outline and legislative recommendations will be the order of business.

HIGHWAYS

Highways Committee Completes Work

The Joint Subcommittee on Highways met for the last time on Friday, August 27, when it reviewed the drafts of eight bills it had previously requested and asked its staff to draft two additional bills.

The package of 10 bills the Committee will recommend to the 48th Legislature will include, in addition to those previously reported, two more to increase the power of

the State Highway Commission in setting priorities, selecting projects and awarding contracts, and to authorize the Highway Commission to allocate one-half of the Primary Highway System funds according to a sufficiency level set by the Commission and the other half on the basis of critical mileage as determined under criteria set by the Commission.

TRANSPORTATION

Transportation Committee Sets Final Session The last meeting of the Joint Subcommittee on Transportation is scheduled for 8:00 a.m., Monday, September 13, in Room 108 of the Capitol.

The Committee will review a draft of its final report and meet jointly with the Legislative Audit Committee to hear the sunset report on the Public Service Commission.

HUMAN SERVICES

Work Session September 13 The Subcommittee on Human Services will hold a work session on September 13 at 9:00 in Room 104 of the Capitol.

JUDICIARY

Meeting September 25 On Saturday, September 25, the Subcommittee on Judiciary will hold its seventh meeting of the interim beginning at 10:00 a.m. in Room 104 of the Capitol.

A Variety of Bills and and Proposals to be Reviewed During this meeting, the Subcommittee will review proposed legislation providing that certain appeals must be decided by the entire Supreme Court while others may be disposed of by one justice. Two revised judicial redistricting plans will also be presented for the Subcommittee's consideration. In addition, members will review a series of bills concerning prosecutorial services including legislation requiring the state to fund one-half of deputy county attorneys' salaries, longevity pay for county attorneys and their deputies, and nonpartisan elections for county attorneys. A bill creating a public defense coordinator and another

concerning the costs of housing death row inmates will also be reviewed.

REVENUE OVERSIGHT COMMITTEE

September 10 Meeting Set

The Revenue Oversight Committee will meet in Helena on September 10 in Room 104 of the Capitol. The Committee will hear reports from the Department of Revenue which will cover such topics as mill levy certification problems, an update on reappraisal and options for agricultural land, Burlington Northern legal issues, and tentative legislation proposals by the Department. The Committee will also discuss mobile home taxation problems, the Michigan Single Business Tax, and a draft bill relating to railroad retirement benefits. If time permits, the Committee will discuss draft bills relating to liquor licenses.

WATER OVERSIGHT COMMITTEE

August 30-31 Meeting Held

On August 31 the Committee met with Chief Water Court Judge W. W. Lessley in Bozeman. Judge Lessley and Water Court personnel detailed the ensuing administrative steps of the water rights adjudication process. The recent 9th Circuit Court of Appeals decision involving Indian and Federal reserved rights and its effect on the adjudication process was discussed. The Water Court's budget request for the 1983 Legislature was presented, with the Committee offering its assistance in seeing that the budget receive the proper review by the fiscal analyst and budget director.

The previous day, the Committee met jointly with the EQC for an update on activities and recommendations stemming from the Groundwater Conference conducted in April. The joint committees agreed to the formation of a task force to make recommendations on legislative and administrative changes necessary to effect wise management of the state's bountiful groundwater resource in the future.

EQC Meeting August 30

The Environmental Quality Council met Monday, August 30, in two sessions: one to conduct its own business and the other in joint session with the Water Resources Oversight Committee. During the first part of the meeting, the EQC discussed the problem of controlling noxious weeds, including the status of research, chemical and biological control, funding, and environmental concerns. The EQC then received an update on various concerns relating to the use of pesticides in Montana and directed its staff to monitor both issues and provide further information for their next meeting.

For a summary of the joint meeting on groundwater, see the Water Resources Committee segment.

LEGISLATIVE AUDIT COMMITTEE

Legislative Audit

The Legislative Audit Committee, consisting of Senators Matt Himsl, Chet Blaylock, Steve Brown, and Frank Hazelbaker; Representatives Kathleen McBride, Robert Anderson, Jim Burnett, and Steve Waldron, will meet on September 13 in the Senate Chambers and on September 14 in Room 108 of the Capitol.

Financial/ Compliance Audits

The committee will receive and review the following financial/compliance audit reports:

Montana State University University of Montana Northern Montana College Department of Justice

Sunset Reports

Hearings will be held on the following reports:

Public Service Commission and the
Department of Public Service Regulation
Roard of Milk Control

Reports Available

Copies of all reports are available from the Office of the Legislative Auditor, Room 135, State Capitol, telephone 449-3122.

LEGISLATIVE COUNCIL

Old Prison Review Sought

On August 16, the Legislative Council sent approximately 150 firms throughout the nation a Request for Proposal for a study of renovating the old Montana Prison. Proposals are due into the Council office no later than September 17, 1982. The Proposals will be reviewed by Council members as they are received, with formal review and selection scheduled for a Council meeting on September 27 at 10:00 a.m., Room 139, State Capitol.

MONTANA SALARY COMMISSION

Salary Commission Sets First Meeting

The first session of the Montana Salary Commission in this biennium is scheduled for 10:30 a.m., Tuesday, September 14, in Room 104 of the Capitol. The Montana Salary Commission is a constitutionally mandated body charged with developing recommendations for the salaries of elected state officials and officers assigned by law. The Legislative Council staff assists the Commission.

HARD ROCK MINERAL STUDY

Hard Rock Mining Subcommittee Meeting Held August 31

The EQC/ROC Hard Rock Mining Study met in Helena on August 31 to review a draft report on HB 718, the Hard-Rock Impact Act, and to discuss Hard-Rock mineral taxation in Montana.

HB 718 Discussed

The HB 718 report discussed significant problem areas identified in the Act and outlined the subcommittee's recommendations, including legislative proposals, for correcting the problems. This report is available to all interested persons for review and comment.

Taxation Issues

The taxation discussion dealt with the appropriateness of Montana's existing tax structure relative to the hard-rock mining industry. Following a presentation by ROC staff on the history and pros and cons of the existing taxes, the subcommittee examined several proposals for modifying the present tax system.

Taxation
Proposals to
be Examined

The Subcommittee is considering the following proposals:

- a) to amend the Resource Indemnity Trust Fund to allow its use for mitigating mining impacts:
- b) to examine changes in the Metalliferous Mines License Tax that would place part of the tax collections into an impact trust fund. The changes being examined involve several different ways in which to lower the tax rate or to tie the tax rate to metal prices and place part of the tax collected into the impact trust fund.
- c) to examine the net proceeds tax system used in Utah and study the applicability in Montana of the Utah system.
- d) to examine proposals for dealing with issues of tax jurisdictional mismatches to determine if solutions are possible.

The proposals will be fully evaluated at a meeting to be held in Helena in late September or October.

TASK FORCE ON CORRECTIONS

Meeting August 5

The Task Force on Corrections met August 5 to hear the views of judges and past members of the Prison Alternatives Committee as well as to hear a report by the Legislative Auditor on the classification system at the prison.

Judges and Others Speak

Judges and Alternatives Committee members who addressed the Task Force suggested there was a need for more prison space, more programs of rehabilitation, more alternative sentencing possibilities, more probation and parole officers, and so on. The Chairman of the Alternatives Committee suggested it was vital that there be an information system in the Department of Institutions in which policy makers could have confidence and that such is not now the case.

Audit Report

The Legislative Auditor reported that the interim prisoner classification system being implemented at the prison seemed to be

reasonable and based on criteria similar to criteria recognized nationally. Whether inmates are actually reclassified properly under the criteria could not be judged because documentation was not adequate. The Auditor further disclosed that the Department of Institutions computerized information was so inaccurate as to render it unreliable. To analyze populations, records had to be reconstructed from field investigations.

Hearing September 13

The Task Force will meet next on September 13 to hear public comments on the Women's Prison. The agenda also includes reports from the several Task Force subcommittees that have been working independently over the past month to assess a number of correctional issues.

SJR 34 COMMITTEE

Meetings to be Held Aim at Final Recommendations

Study groups representing providers, consumers, and governmental agencies have held several meetings discussing at length the issues involved in this residential care licensure study. A final meeting is planned in September to consolidate the groups' efforts for the task force.

At this meeting, the study groups will be exposed to the public comment received at a series of public meetings held in cooperation with the Montana Health Systems Agency subarea councils.

Watch for October Hearing

The collective input of the study groups, the task force, and the public comment process will be used to develop a series of recommended positions on which the Legislative Advisory Committee on SJR 34 will hold a public hearing. This public hearing, to be held sometime in October, will guide the Committee in its final recommendations regarding legislation to address the findings of the study.

DISTRICTING AND APPORTIONMENT

Hearings Continue

August saw the Commission holding hearing across the eastern part of the state. In

September and October, the following hearings are scheduled:

September 20 - Missoula

October 4 - Great Falls

October 5 - Helena (There will also be a Commission business meeting in Helena)

Details as to time, place, and tentative districts to be discussed will be widely distributed in each area prior to the hearings.

HOUSE OF REPRESENTATIVES

Chaplain Moes to Move

The Reverend John Moes, Chaplain of the House for the Forty-Seventh Legislature, plans to move to Seattle to begin a ministry to seafarers in the harbor. All members of the Legislature and its staff are invited to a reception September 17 at 7:30 p.m. in the Governor's Reception Room to bid farewell to Rev. Moes.

CALENDAR	
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SATURDAY	4		18	25 JUDICIARY Room 104	
FRIDAY	3 COMMITTEE	10 REVENUE Rm 104 EDUCATION COMM Rm 108	17	24	
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SATURDAY	2		6 .	16	23	30
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ENDAR THURSDAY			7	14	21	28
LEGISLATIVE INTERIM CALENDAR OCTOBER TEGRAN WEDNESDAY TE			6 BUSINESS Room 104	13	20	27
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	MONDAI		4 DISTRICTING 5 & APPORTIONMENT HEARING Great Falls	11	18	25
	SUNDAY		м	10	17	24



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